

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-01-49-156
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ORDER GRANTING WAIVER

(Issued November 8, 2001)

On October 11, 2001, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for a waiver of 199 IAC 19.10(1) that establishes when a utility may file an Rb factor and how to calculate that factor. The filing was identified as Docket No. WRU-01-49-156. The Rb factor is the adjusted amount necessary to obtain the anticipated balance for the remaining purchased gas adjustment (PGA) year calculated by taking the anticipated PGA balance divided by the forecasted volumes for the months of October through August of the PGA year. Pursuant to 199 IAC 19.10(4), a company must file an Rb factor in its February PGA and subsequent monthly filings in the PGA year and may file in other months if anticipated revenues exceed or fall short of anticipated costs by more than one-half of 1 percent. An Rb factor is then included in the PGA that is necessary to obtain the anticipated balance

MidAmerican requests the waiver so that it will be allowed to file a separate Rb factor for storage costs only. MidAmerican proposes to apply the storage Rb factor to only those months when storage is consumed, November through April, rather than to the period October through August. MidAmerican proposes that all

other gas costs would continue to be recovered through the traditional Rb factor that is calculated using the October through August forecasted volumes.

Currently, MidAmerican prices storage gas at the beginning of the year at the price they expect to pay during the coming injection season. Any deviation from this cost is adjusted at the end of the calendar year and becomes part of the reconciliation in October of the following year. If the waiver is granted, MidAmerican would recover under-collections, or return over-collections relating to storage gas costs in the same PGA period. This, MidAmerican suggests would allow MidAmerican to distribute the cost of storage gas more fairly to the customers most closely associated with the use of the storage gas.

On October 16, 2001, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the waiver request. Consumer Advocate states that it does not oppose the waiver request.

Rule 199 IAC 1.3 states that the Board may grant a waiver if it finds, based upon clear and convincing evidence, that the application of the rule would pose an undue hardship, the waiver would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver request described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

The Board finds that it would be an undue hardship on MidAmerican and its customers to continue to recover under-collections and over-collections of storage costs as currently required by 199 IAC 19.10. Under MidAmerican's current

procedures, there is a potential mismatch between those who use the storage gas and those who will pay for that usage. The procedures authorized by the waiver cure that mismatch.

The Board finds that no person's substantial legal rights will be affected by this waiver, that the calculation of the Rb factor is not specifically mandated by statute, and that health, safety, and welfare will be protected after the waiver. The Board will therefore grant the waiver and allow MidAmerican to establish a storage Rb factor for the recovery of storage costs over the period of November through April.

IT IS THEREFORE ORDERED:

The request for waiver, filed by MidAmerican Energy Company on October 11, 2001, of 199 IAC 19.10 to allow for the calculation of an Rb factor for storage gas to be recovered in the purchased gas adjustment from November through April is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 8th day of November, 2001.